

# BRAZIL

## WORLD 20 QUALITY 13- REPORT 14

### TOP TRENDS

- As Brazilian consumers demand higher application quality, the attitude of companies toward Quality Assurance (QA) and Testing is beginning to transform.
- Many businesses still seem to have a reactive approach to Quality Assurance, not yet willing to embrace radical changes to their QA organizations and processes.
- Companies are beginning to open up to engaging partners to help improve application quality and increase their overall level of maturity.

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Despite slower-than-predicted growth, the Brazilian economy continues to expand, fueled by government stimulus initiatives, low unemployment and ongoing investment in infrastructure. Even with above-target inflation, rising interest rates, slower Asian exports and sliding consumer confidence levels, the outlook for Brazilian economy remains positive, and businesses are optimistic about upcoming events such as the Football World Cup 2014 and the 2016 Olympics. Investment in IT is also on the rise, specifically for transformational projects such as application landscape modernization, systems integration, and other initiatives that promise additional cost savings and faster time-to-market. Nearly three-quarters (73%) of interviewed IT leaders from Brazil report that cost optimization through process and technology advancements is among their top current priorities.

As with most fast-growing economies, application quality in Brazil was initially not treated as a significant area for investment, as companies raced to get products to market faster and more cost-efficiently. However, as Brazilian consumers demand higher application quality, the attitude of companies toward QA and Testing is beginning to transform. Today, a fifth of the overall IT budget (20%) is allocated to application quality, and this proportionate share is expected to grow to 25% in the next two years. Almost a quarter of QA resources (23%) is spent on testing personnel, with an additional 29% dedicated to tools and licenses, and a further 40% spent on hardware and infrastructure.

Most of the QA work is being performed onshore. Research participants from Brazil indicate that as many as 61% of all testers are located onshore, compared to 55% average across the globe. Such reluctance to move away from traditional testing models is an indication that many organizations in the region are near the start of their QA maturity journey.

Attitudes toward QA and Testing differ drastically across different industry sectors. Without a doubt, the Financial Services industry in Brazil is at the forefront of quality maturity. Capitalizing on a period of financial stability and low inflation, Brazilian financial institutions have transformed their IT systems by adopting new technologies, processes and methods, including centralized and industrialized approaches to quality. The Telecom industry is the other forerunner in terms of quality maturity.

However, many businesses outside these two sectors still seem to have a reactive approach to Quality Assurance, not yet willing to embark on radical changes to transform and restructure their QA organizations and processes and adopt innovative engagement models. Only 17% of interviewed CIOs and IT directors from Brazil state that their testing function is centralized in a single stream across the organization – compared to 26% global average – and a further 17% report that their QA is highly decentralized across different business units, geographies and divisions.



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Although 64% of interviewed IT leaders from Brazil report having plans to build an industrialized Testing Center of Excellence (TCOE), with a further 24% stating that their TCOEs are either in production or already operational, many organizations appear to use the term “TCOE” when referring to only a portion of the QA function. For instance, some businesses consider they have a “Testing Center” when in fact only manual functional testing is performed in a centralized fashion across the organization. Outside of the Financial Services and Telecom verticals, very few organizations are seen to have invested in a truly centralized and industrialized testing approach – complete with standard processes, methodologies, accelerators, automation tools and metrics.

Most respondents cite lack of skilled resources (60%) and methods (60%) as the main barriers toward building a TCOE; and gradually, businesses are beginning to open up to the idea of engaging third-party providers to deliver a complete set of testing solutions aimed at improving application quality and increasing the overall level of maturity of the client’s QA organization. This year’s research shows that the share of projects tested using modern engagement models such as Managed Testing Services rose from just 14% in 2012 to 22% in 2013, while the number of internal-only projects fell from 56% in 2012 to 42% this year.

One specific area where partners are seen as adding the most value is Mobile Testing. Once again, the Financial Services industry is seen as widely adopting mobility. Although 59% of respondents across all industries state that they are currently testing mobile applications – similar to organizations in other parts of the world – Brazilian businesses report lack of specialized testing methods and devices as the biggest obstacle to ensuring the quality and security of their mobile offerings. The research shows that Brazilian companies struggle with availability of

devices (64%), identifying the appropriate testing processes and methods (55%), finding testers with the right skill set to test mobile applications (51%), and building an appropriate testing environment in-house (40%). To find a complete and cost-efficient solution for mobile testing, a growing number of companies are turning to trusted third-party providers. Mobility is a fast-growing area of IT in Brazil, and as consumer expectations grow, companies are willing to invest more in mobile application quality.

As part of cost-saving strategies, Brazilian companies are also beginning to explore the advantages of cloud computing. The overall pattern for migrating applications to the Cloud in Brazil mirrors those around the world, and most companies remain cautious about moving their production systems to the Cloud, citing security concerns.

Organizations in Brazil, in most cases, are seen to start with their testing and training environments in the Cloud, before moving their business-critical external applications. As of today, the research shows that about 20% of all IT applications in Brazil are hosted in the Cloud, and about 23% are tested using cloud-based test environments and tools. The outlook for the Cloud remains optimistic, with research participants predicting that by 2015, nearly a third of all applications (27%) will be migrated to the Cloud, and as much as 35% of all testing activities will take place in cloud-based environments, taking advantage of Testing being delivered as a Service (TaaS).

The Brazilian market is clearly maturing in its approach to QA and Testing. With increasing consumer demand for quality, Brazilian companies are expected to continue to invest in QA, explore innovative delivery and engagement models, and look at new technologies – such as Cloud and mobility – as ways to provide higher levels of quality while saving on costs.

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